

April 1, 2016

Honorable Stacy Ruble Secretary Postal Regulatory Commission 901 New York Avenue, NW, Suite 200 Washington, DC 20268-0001

Dear Mr. Ruble:

Pursuant to 39 U.S.C. § 407(d)(2), and consistent with Order No. 1865 granting the Postal Service's Motion for Reconsideration of Order No. 1822, PRC Docket No. CP2013-77, the Postal Service is providing, as Attachment 1, a copy of several EMS Pay-for-Performance Partners' agreements between the Postal Service and foreign postal operators. The Postal Service has marked the non-public version of each agreement as "Confidential" and "Non-Public" because each agreement contains information considered confidential and commercially sensitive by the affected postal operators and the Postal Service.

The Postal Service considers certain portions of each agreement to be protected by 39 U.S.C. § 410(c)(2) and thereby not subject to mandatory disclosure under the Freedom of Information Act (FOIA). Further, each agreement contains the commercial information of the affected postal operator, and as such, certain portions of each agreement are subject to protection under Exemption 4 of the FOIA. Consequently, we have attached, as Attachment 2, an application for non-public treatment of certain portions of the agreements under 39 C.F.R. § 3007.21. In addition, we respectfully request that the Postal Regulatory Commission coordinate with us in the event that the agreement(s) become subject to a FOIA request, so that we can engage in appropriate consultations with the affected postal operator(s).

Please feel free to contact me if further information would be helpful.

Sincerely,

Anthony Alverno

Chief Counsel

Global Business & Service Development

Enclosures

LEA EMERSON EXECUTIVE DIRECTOR INTERNATIONAL POSTAL AFFAIRS UNITED STATES POSTAL SERVICE December 11, 2015 Dear I am writing to inform you of our inbound EMS rates under the EMS Cooperative Pay-for-Performance (PfP) program for calendar year 2016. These rates were notified to UPU EMS operators via (see enclosure) and will go into effect on January 1, 2016. The EMS PtP rates of SDR per kilogram are the preferred rates available to SDR per item and as a valuable EMS PfP participating operator. As a preferred partner and in the interest of promoting growth in our mutual EMS service, we are willing to offer percent discount off the preferred EMS PfP rates on a reciprocal pasis. This would reduce the reciprocal flat rate from SDR to item. Assuming that follows such past practice, the following rates will apply for calendar year 2016: United States to SDR per item

Please confirm your acceptance of these rates for 2016 by counter signature below and return a copy of the signed letter to Ms. Stephanie Myles, email: stephanie.m.myles@usps.gov.

SDR per item

In addition, the United States Postal Service (USPS) is subject to regulation by the Postal Regulatory Commission (PRC), an independent U.S. government agency. Under U.S. law, the USPS is required to file all commercial agreements signed with an agency of a foreign government, including this letter.

475 L'ENFANT PLAZA SW RM 5136 WASHINGTON, DC 20250-0004 202-268-2574 FAX: 202-268-8095 WWW.USPS.COM

to the United States:

The USPS believes that it is possible that your organization may have a proprietary interest in information in this letter. Because we consider it to be sensitive commercial information, we will designate the letter as "non-public." In other words, the information in the letter will not be publicly available on the PRC's website; rather, it will be available only to the PRC staff and third persons who are able to certify that they are not involved in competitive decision making.

Under U.S. law (Title 39, Code of Federal Regulations, Part 3007), whenever the USPS files information non-publicly, the USPS is required to notify any organization that may have an interest in the nonpublic information that it is filing such information with the Commission, together with an application for the PRC to treat the information as non-public material. As required by its regulations, we will identify USPS, specifically Stephanie Myles, as the PRC's point of contact in the event that additional notices need to be sent concerning this filing. This is done to protect your confidentiality. USPS will inform you of any such notices it receives.

We are also required to notify you that your organization may address any confidentiality concerns that you may have directly with the PRC. At this time, we do not believe any action is needed on the part of your organization. However, we are required to advise you that the procedure for making a third-party application for non-public treatment of materials believed to be protected from disclosure may be found at Title 39, Code of Federal Regulations, Section 3007.22. You can view these regulations at the PRC's website, http://www.prc.gov/Docs/63/63467/Order225.pdf.

Again, we do not believe there is any need for action on your part; we are simply fulfilling our obligation to give your organization notice of the nonpublic filing, as required by U.S. law. If you have any questions or concerns, please feel free to contact Anthony Alverno, Chief Counsel, U.S. Postal Service Law Department, at 202-268-2997 or via e-mail at anthony.f.alverno@usps.gov.

We look forward to continuing to grow the important EMS business between us.

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Lea Emerson

Enclosure

Acceptance of Rates:

475 L'ENFANT PLAZA SW RM 5136 WASHINGTON, DC 20260-0004 202-268-2574 FAX: 202-268-5095

WWW.USPS.COM

LEA EMERSON EXECUTIVE DIRECTOR INTERNATIONAL POSTAL AFFAIRS



October 13, 2015

Dear	
Dear	
I am writing to confirm the EMS rates recently agree	d to for the EMS Cooperative Pay-for-Performance
(PfP) program for Quarter 4 of calendar year 2015 a	
	of the EMS PfP rates of SDR per item and USPS also notified to UPU EMS operators via
of the EMS PfP rates of	
effective January 1, 2016.	our par notification
As the EMS PfP quarterly bills only list the number of	of items for payment (and not the weights), we
implement a flat rate based on the average weight p	er EMS item dispatched to the United States by
The average weight of kg per EMS	
2015 EMS PfP rates of SDR per item and	SDR per kilogram result in a flat rate of SDR
per item. Using the same average weight of kg and the 2016 EMS PfP rates of SDR per item a	per EMS item from to the United States and SDR per kilogram, the flat rate is
SDR per item.	ODIT per Ribgiani, the natrate is
As a preferred partner and in the interest of promotir	
to offer SDR preferred EMS PfP rate will apply for Quarter 4 of calendar year 2015 and ca	. Therefore, the following rates
will apply for equation 4 of calcificat year 25 to and oc	norman your 2010.
 United States to 	SDR per item
 to the United States: 	SDR per item

Please confirm your acceptance of these rates for Quarter 4 of calendar year 2015 and calendar year 2016 by counter signature below and return a copy of the signed letter to Ms. Haley McKittrick, email: haley.e.mckittrick@usps.gov

In addition, the United States Postal Service (USPS) is subject to regulation by the Postal Regulatory Commission (PRC), an independent U.S. government agency. Under U.S. law, the USPS is required to file all commercial agreements signed with an agency of a foreign government, including this letter.

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We are also required to notify you that your organization may address any confidentiality concerns that you may have directly with the PRC. At this time, we do not believe any action is needed on the part of your organization. However, we are required to advise you that the procedure for making a third-party application for non-public treatment of materials believed to be protected from disclosure may be found at Title 39, Code of Federal Regulations, Section 3007.22. You can view these regulations at the PRC's website, http://www.prc.gov/Docs/63/63467/Order225.pdf.

Again, we do not believe there is any need for action on your part; we are simply fulfilling our obligation to give your organization notice of the nonpublic filing, as required by U.S. law. If you have any questions or concerns, please feel free to contact Anthony Alverno, Chief Counsel, U.S. Postal Service Law Department, at 202-268-2997 or via e-mail at anthony.f.alverno@usps.gov.

We look forward to continuing to grow the important EMS business between us.

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Sincerely,

Lea Emerson

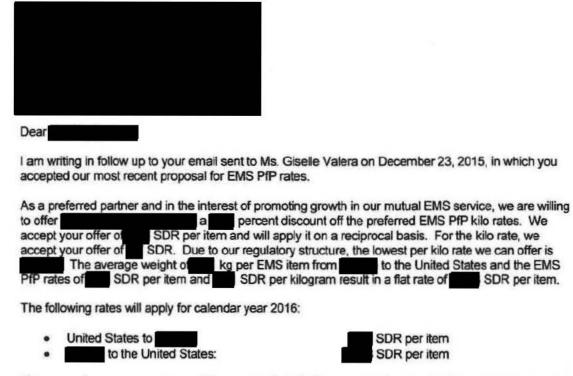
Enclosure



LEA EMERSON EXECUTIVE DIRECTOR INTERNATIONAL POSTAL AFFAIRS



December 29, 2015



Please confirm your acceptance of these rates for 2016 by counter signature below and return a copy of the signed letter to Ms. Stephanie Myles, email: stephanie.m.myles@usps.gov.

In addition, the United States Postal Service (USPS) is subject to regulation by the Postal Regulatory Commission (PRC), an independent U.S. government agency. Under U.S. law, the USPS is required to file all commercial agreements signed with an agency of a foreign government, including this letter.

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We look forward to continuing to grow the important EMS business between us.

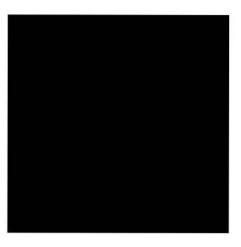
Sincerely,

Lea Emerson

Acceptance of Rates:



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LEA EMERSON EXECUTIVE DIRECTOR INTERNATIONAL POSTAL AFFAIRS



December 11, 2015

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Dear		157		¥.	
SDR per item and SDR per as a valuable EMS PfP participating of As the EMS PfP quarterly bills only its implement a flat rate based on the average.	i. These rates were and will go into effort kilogram are the properator. If the number of its erage weight per light of the light of t	re notified to UPU i lect on January 1, preferred rates avail erns for payment (a	EMS operator 2016. The Et allable to and not the wa ed to the Unit to the U	rs via MS PfP rat eights), we ed States Inited States	es of
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Assuming the rates will apply for calendar year 2016		follows such p	ast practice, t	he followin	g
. United States to		SDD par item		8	
 United States to to the United States: 		SDR per item	56 - ES **	. 7 9 2 ,	r ** *

Please confirm your acceptance of these rates for 2016 by counter signature below and return a copy of the signed letter to Ms. Stephania Myles, email: stephania.newles@usps.gov.

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475 L'ENFANT PLAZA SW RM5135 WASHINGTON, DC.20260-0004 202-268-2574 FAX: 202-268-8095 WANNINGTON The USPS believes that it is possible that your organization may have a proprietary interest in information in this letter. Because we consider it to be sensitive commercial information, we will designate the letter as "non-public." In other words, the information in the letter will not be publicly available on the PRC's website; rather, it will be available only to the PRC staff and third persons who are able to certify that they are not involved in competitive decision making.

Under U.S. law (Title 39, Code of Federal Regulations, Part 3607), whenever the USPS files information non-publicly, the USPS is required to notify any organization that may have an interest in the nonpublic information that it is filing such information with the Commission, together with an application for the PRC to treat the information as non-public material. As required by its regulations, we will identify USPS, specifically Stephanie Myles, as the PRC's point of contact in the event that additional notices need to be sent concerning this filing. This is done to protect your confidentiality. USPS will inform you of any such notices it receives.

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We look forward to continuing to grow the important EMS business between us.

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Sincerely,

Lea Emerson

Enclosure

Acceptance of Rates:

475 L'ENFANT PLAZA SWIRM 5136 WASHINGTON, DC 20280-0904 202-268-2574 FAX: 202-268-8085 WWW.ISPS.COW



December 11, 2015

Dear
I am writing to inform you of our inbound EMS rates under the EMS Cooperative Pay-for-Performance (PfP) program for calendar year 2016. These rates were notified to UPU EMS operators via (see enclosure) and will go into effect on January 1, 2016. The EMS PfP rates of SDR per item and SDR per kilogram are the preferred rates available to as a valuable EMS PfP participating operator.
As the EMS PfP quarterly bills only list the number of items for payment (and not the weights), we implement a flat rate based on the average weight per EMS item dispatched to the United States by The average weight of kg per EMS item from to the United States and the EMS PfP rates of SDR per item and SDR per kilogram result in a flat rate of SDR per item.
The following rates will apply for calendar year 2016:
SDP par item
 United States to SDR per item SDR per item

Please confirm your acceptance of these rates for 2016 by counter signature below and return a copy of the signed letter to Ms. Stephanie Myles, email: stephanie.m.myles@usps.gov.

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We look forward to continuing to grow the important EMS business between us.

Sincerely,

Lea Emerson

Enclosure



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APPLICATION OF THE UNITED STATES POSTAL SERVICE FOR NON-PUBLIC TREATMENT OF MATERIALS

In accordance with 39 C.F.R. § 3007.21, the United States Postal Service (Postal Service) hereby applies for non-public treatment of the enclosed EMS Pay-for-Performance Partners' Agreements ("Agreements"). The Postal Service is transmitting the Agreement to the Postal Regulatory Commission ("Commission") in accordance with 39 U.S.C. § 407(d) and consistent with Order No. 1865 granting the Postal Service's Motion for Reconsideration of Order No. 1822, PRC Docket No. CP2013-77, filed on September 19, 2013. The unredacted Agreements are being filed under seal, while a redacted copy is included as an enclosure to this transmittal. The Postal Service hereby furnishes the justification required for this application by 39 C.F.R. § 3007.21(c) below.

(1) The rationale for claiming that the materials are non-public, including the specific statutory basis for the claim, and a statement justifying application of the provision(s);

Information of a commercial nature, which under good business practice would not be publicly disclosed, as well as third party business information, is not required to be disclosed to the public. 39 U.S.C. § 410(c)(2); 5 U.S.C. § 552(b)(3); 5 U.S.C. § 552(b)(4). The Commission may determine the appropriate level of confidentiality to be afforded to such information after weighing the nature and extent of the likely commercial injury to the Postal Service against the public interest in maintaining the financial transparency of a government establishment competing in commercial markets. 39 U.S.C. § 504(g)(3)(A). Because the

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¹ The Commission has indicated that "likely commercial injury" should be construed broadly to encompass other types of injury, such as harms to privacy, deliberative process, or law enforcement interests. PRC Order No. 194, Second Notice of Proposed Rulemaking to Establish

portions of material filed non-publicly fall within the scope of information not required to be publicly disclosed, the Postal Service asks the Commission to support its determination that this material is exempt from public disclosure and grant its application for its non-public treatment.

(2) Identification, including name, phone number, and e-mail address for any third party who is known to have a proprietary interest in the materials, or if such an identification is sensitive, contact information for a Postal Service employee who shall provide notice to that third party;

The Postal Service believes that the postal operators that are the signatories to the Agreements are the only third party with a proprietary interest in the material. Due to the sensitivity in providing the identification of the affected foreign postal operators, the Postal Service proposes that a designated Postal Service employee serve as the point of contact for any notices to the relevant postal operator.² The Postal Service identifies as an appropriate contact person Jason Bloom, International Postal Affairs, United States Postal Service. Mr. Bloom's phone number is (202) 268-2669, and his email address is iason.m.bloom@usps.gov.

a Procedure for According Appropriate Confidentiality, Docket No. RM2008-1, Mar. 20, 2009, at ² The Postal Service acknowledges that 39 C.F.R. § 3007.21(c)(2) appears to contemplate only

situations where a third party's identification is "sensitive" as permitting the designation of a Postal Service employee who shall act as an intermediary for notice purposes. To the extent that the Postal Service's response might be construed as beyond the scope of this exception, the Postal Service respectfully requests a waiver that would allow it to designate a Postal Service employee as the contact person under these circumstances, in light of the practical considerations outlined herein.

(3) A description of the materials claimed to be non-public in a manner that, without revealing the materials at issue, would allow a person to thoroughly evaluate the basis for the claim that they are non-public;

As required by 39 U.S.C. § 407(d), the Postal Service is transmitting these documents concerning EMS service, each of which is with a foreign postal operator that is an agency of a foreign government. The documents transmitted consist of Agreements that define the terms on which the Postal Service and the relevant operator exchange Express Mail Service (EMS) items under the EMS Cooperative Pay-for-Performance Plan, including rate information. The Postal Service maintains that the redacted portions of the document should remain confidential.

(4) Particular identification of the nature and extent of commercial harm alleged and the likelihood of such harm;

If the information that the Postal Service determined to be protected from disclosure due to its commercially sensitive nature were to be disclosed publicly, the Postal Service considers that it is quite likely that it would suffer commercial harm. This information is commercially sensitive, and the Postal Service does not believe that it would be disclosed under good business practices.

Competitors could use the information to undermine the Postal Service's position in negotiations, as well as the position of the foreign postal operator that is the signatory to the Agreement. Competitors could also use the identity of the relevant foreign postal operator to target that country for business to the detriment of the Postal Service. The Postal Service considers these to be highly probable outcomes that would result from public disclosure of the redacted material.

(5) At least one specific hypothetical, illustrative example of each alleged harm;

Harm: Foreign postal operators could use the rate and discount information to undermine the Postal Service's position in negotiations concerning bilateral EMS charges.

Hypothetical: The rates and discount amounts are disclosed to the public.

Foreign postal operators obtain the information and use it to their advantage in negotiating bilateral EMS charges with the Postal Service in an effort to lower the rates charged for delivery of EMS in the United States, or raise the rates charged for U.S. origin shipments.

Harm: Foreign postal operators could use the rate and discount information to undermine the position of the foreign postal in negotiations concerning bilateral EMS charges.

Hypothetical: The rates and discount amounts are disclosed to the public.

Foreign postal operators obtain the information and use it to their advantage in negotiating bilateral EMS charges with the foreign postal operator in an effort to lower or raise the rates charged for delivery of EMS in the those countries.

Alternatively, competitors use the pricing information to develop competing

products.

Harm: Competitors could use the knowledge that the Postal Service has entered into arrangements for discounted EMS rates with certain foreign postal operators to the Postal Service's detriment when negotiating business arrangements with shippers in those countries.

Hypothetical: The identity of the countries with which the Postal Service has entered into arrangements for discounted EMS rates is released to the Public. Another expedited delivery service's employee monitors the filing of this information and passes the information along to its sales and marketing

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functions. The expedited delivery service determines that those countries provide a strategic market for increased competition, and then advertises itself to those countries' postal operators as offering better rates and performance thresholds than the Postal Service.

(6) The extent of protection from public disclosure deemed to be necessary;

The Postal Service maintains that the redacted portions of the material filed non-publicly should be withheld from persons involved in competitive decision-making in the relevant market for international expedited and parcels products (including private sector integrators), as well as their consultants and attorneys. Additionally, the Postal Service believes that, except for foreign postal operators that already have access to this information, actual or potential customers of the Postal Service for products related to inbound EMS and Outbound Priority Mail Express International, or similar products, should not be provided access to the non-public materials.

(7) The length of time deemed necessary for the non-public materials to be protected from public disclosure with justification thereof; and

The Commission's regulations provide that non-public materials shall lose non-public status ten years after the date of filing with the Commission, unless the Commission or its authorized representative enters an order extending the duration of that status. 39 C.F.R. § 3007.30.

(8) Any other factors or reasons relevant to support the application.

None.

Conclusion

For the reasons discussed, the Postal Service asks that the Commission grant its application for non-public treatment of the identified materials.